



BRACKLA COMMUNITY COUNCIL FINANCIAL & BUSINESS RISK ASSESSMENT POLICY

POLICY STATEMENT

The main purpose of Risk Assessment is to ensure that the Council achieve their budgetary & strategic objectives thereby providing assurance to the public and meet requirements of the Account Regulations. Members must also take all necessary steps

1. To minimise any risk facing the Council
2. Identify risk areas
3. Evaluate consequences and adopt measures to avoid, reduce or control the risk.

INCOME:

TOPIC	RISK IDENTIFIED	CONSEQUENCES	LEVEL: H / M / L	MGT OF THE RISK	STAFF ACTION	INTERNAL AUDIT FREQUENCY
Precept	Not submitted	<ul style="list-style-type: none"> • Council may not receive the precept from the borough which will disrupt services • Council seen as being ineffective • Complaint from the community • Reputation damaged 	Low	Full C.C. Minute – RFO follow up	Diary	Annual
	Not paid by Borough		Low	Check & report to Council	Diary	Annual
	Adequacy of the precept		Med	Monthly review of budget to actual – report to Council	Diary	Monthly
Investment Income	Interest not received when due	<ul style="list-style-type: none"> • Increased workload to chase 	Low	Check	Diary	Monthly
	Investment Policy not relevant to current needs / economic circumstances	<ul style="list-style-type: none"> • Council seen as being ineffective 	Low	Review policy	Diary	Annual
	Surplus funds not invested correctly	<ul style="list-style-type: none"> • Council seen as being ineffective 	Low	Review policy	Diary	Annual

EXPENDITURE:

TOPIC	RISK IDENTIFIED	CONSEQUENCES	LEVEL: H / M / L	MGT OF THE RISK	STAFF ACTION	INTERNAL AUDIT FREQUENCY
Salaries Salaries cont'd	Wrong salary Paid	<ul style="list-style-type: none"> • Council seen as being ineffective • Potentially detrimental to staff • Image damaged 	Low	Professional accountancy firm employed to independently prepare wages. Check to Minute	Clerk to verify Members to verify	Weekly / monthly Monthly
	Wrong hours paid		Med	Check to time sheets / contract	Clerk / Members to verify	Weekly / monthly
	Wrong rate of pay		Low	Professional accountancy firm employed to independently prepare wages. Check to Minute	Clerk to verify Members to verify	Weekly / monthly Monthly
	False employee		Low	Check to PAYE records & lists	Member to verify	Monthly
	Wrong deductions		Low	Professional accountancy firm employed to independently prepare wages. Check to Minute Check to PAYE Calculations	Clerk to verify Members to verify	Weekly / monthly Monthly
Direct Costs & overhead expenses	Goods not supplied to C.C.	<ul style="list-style-type: none"> • Disruption of services • Council seen as being ineffective • Image damaged • Potential loss of revenue / reserves • Loss of reputation • Loss of supplier 	Med	Clerk to check order process	Approval check	Monthly
	Invoice incorrectly calculated		Low	Check arithmetic	Approval Check	When required
	Cheque payable is excessive		Med	Signatory initials on cheque & invoice	Members to verify	When required
	Cheque payable to wrong party		Med	Signatory initials on cheque & invoice	Members to verify	When required
	Stock loss		Low	Stock control / verify to receipts	Clerk / Members to verify	When required
	Goods / services not paid for on time		Low	Regular payments are made via bank direct debit / bank standing order	Clerk / Members to verify against records	Monthly
	False / fraudulent payments made		Low	Signatory initials & payments checked against records	Members to verify	Monthly
Cllrs. Allowances	Overpayment	<ul style="list-style-type: none"> • Council seen as being ineffective • Image damaged • Potential loss of revenue / reserves • Loss of reputation • Censure by audit / inspection 	Low	Claim form & Checked against records	RFO to verify	When required
	Income tax deduction		Low	Individual Cllr. To keep records	RFO to verify	When required
Grants & Support	Power to pay	<ul style="list-style-type: none"> • Censure by audit / inspection if not correctly authorised. • Loss of reputation • Council seen as being ineffective 	Low	Minute the power	Clerk to verify	When required
	Agreement of Council to pay		Low	Minute	Members verify	When required
	Conditions agreed		Low	Use reasonable conditions	RFO check / members to verify	When required

EXPENDITURE Con't

TOPIC	RISK IDENTIFIED	CONSEQUENCES	LEVEL: H / M / L	MGT OF THE RISK	STAFF ACTION	INTERNAL AUDIT FREQUENCY
Election costs	Over payment	<ul style="list-style-type: none"> Increased workload to chase 	Low	RFO Check & costs budgeted for over the intervening four years	RFO verify	Every 4 th year
VAT	Irrecoverable	<ul style="list-style-type: none"> Council seen as being ineffective Loss of reputation 	Low	Professional, customised accounting package used which automatically calculates & summarises vat.	RFO verify	Monthly
	Not claimed within time limits		Low	Professional, customised accounting package used which automatically calculates & summarises vat.	RFO verify	Annual

GENERAL:

General Reserves	Adequacy	<ul style="list-style-type: none"> Council seen as being ineffective. Censure by audit / inspection 	Low	Considered at budget setting considering all planned projects and commitments. Minuted Finance committee meet at least quarterly to monitor	RFO opinion / Members verify	Annual
Earmarked reserves	Adequacy	<ul style="list-style-type: none"> Disruption of services. Bankruptcy 	Low	Considered at budget setting considering all planned projects and commitments. Minuted Finance committee meet at least quarterly to monitor	RFO opinion / Members verify	Annual
	Contingency liability		Low	Review against budget. Minuted	RFO opinion / Members verify	Quarterly
Assets	Loss / Damage	<ul style="list-style-type: none"> Disruption of services. Potential loss of revenue / reserves 	Med	Annual Inspection, update of insurance & asset register; Premises adequately secured & alarmed. A planned programme of electrical safety testing is in place.	Diary	Annual or When required if this is more often.
	Risk or damage to third party property or individuals		Med	Review adequacy of Public Liability insurance	Diary	Annual

TOPIC	RISK IDENTIFIED	CONSEQUENCES	LEVEL: H / M / L	MGT OF THE RISK	STAFF ACTION	INTERNAL AUDIT FREQUENCY
Staff	Loss of Key personnel.	<ul style="list-style-type: none"> • Disruption of services. 	Low	Subscribe to Peninsula Employment services which help to manage hours; health; capability; training etc and provide legal advice on employment matters along with compliance to employment laws for wellbeing of staff. H&S checks undertaken by Peninsula & regular health checks on Gardener. Risk assessments completed Membership of OVW to assist the Clerk	Members to monitor	When required
	Fraud by staff	<ul style="list-style-type: none"> • Potential loss of revenue / reserves • Censure by audit / inspection • Image damaged 	Low	Fidelity Guarantee Value along with regular checks by Members	Council	When required
	Staff subject to verbal / physical assault	<ul style="list-style-type: none"> • Staff suffer mental / physical injury • Adverse effect on performance of staff • Staff refuse / are unable to work • Claims litigation • Adverse effect on budget / reserves • Council blamed for failing to protect staff • Inability to attract new staff • Adverse publicity • Image damaged 	Med	Subscribe to Peninsula Employment services which help to manage hours; health; capability; training etc and provide legal advice on employment matters along with compliance to employment laws for wellbeing of staff. H&S checks undertaken by Peninsula & regular health checks on Gardener. Risk assessments completed Membership of OVW to assist the Clerk. Council has a specific policy relating to unacceptable actions by individuals. Conflict training undertaken by staff.	Members to monitor	Annually
	Poor performance by staff	<ul style="list-style-type: none"> • Potential loss of revenue / reserves • Censure by audit / inspection • Image damaged 	Low	Staff appraisal system in place and reviewed annually. Peninsula Employment Services employed to provide up to date advice.		
Loss	Consequential loss due to critical damage or third party performance	<ul style="list-style-type: none"> • Potential loss of revenue / reserves • Increased workload to chase 	Low	Insurance cover in place which is reviewed regularly. Building is Fire Inspected annually by landlords. All contract work is administered in line with SO & Financial Regs, including sight of contractors insurance certificate to ensure their ability to undertake the works, which is always on a contractual basis and work inspected prior to payment	RFO opinion / Members verify	Annual

TOPIC	RISK IDENTIFIED	CONSEQUENCES	LEVEL: H / M / L	MGT OF THE RISK	STAFF ACTION	INTERNAL AUDIT FREQUENCY
Cash	Loss through theft or dishonesty	<ul style="list-style-type: none"> • Loss of revenue / reserves • Censure by audit / inspection 	Low	Insurance cover reviewed for adequacy Council members approve all expenditure and verify against records.	RFO opinion / members verify	Annual
Maintenance	Poor performance of assets	<ul style="list-style-type: none"> • Disruption of services. • Increased workload to resolve. 	Low	Annual Maintenance inspection. Planned programme of electrical safety testing of equipment in place. Vehicle leased on full maintenance contract.	Diary	Annual
Legal Powers	Illegal activity or payment	<ul style="list-style-type: none"> • Censure by audit / inspection • Potential loss of revenue / reserves • Loss of reputation 	Med	Educate Clerk & Members of their legal powers	Diary	When required
Financial Records	Inadequate records	<ul style="list-style-type: none"> • Censure by audit / inspection • Potential loss of revenue / reserves • Loss of reputation 	Low	RFO/Clerk to check regularly. Internal audit; Accounting records backed up & stored off premises. All account activity is completed on a daily basis. Independent internal auditor appointed in accordance with regulations. Specifically designed professional accounting package used.	Diary	Monthly
Minutes	Accurate & Legal	<ul style="list-style-type: none"> • Censure by audit / inspection 	Low	Review at following meeting	Agenda	Monthly
	Loss of original Minutes	<ul style="list-style-type: none"> • Loss of reputation 	Low	Electronic back-up & hard copies stored off site in County Library Archives.	Diary	Monthly
Members' interests	Conflict of interest	<ul style="list-style-type: none"> • Loss of reputation 	Med	Ensure members declare any interests at the beginning of each meeting.	Agenda	Every meeting
Accommodation	Loss of accommodation	<ul style="list-style-type: none"> • Disruption of services. • Increased workload to resolve. • Potential loss of revenue / reserves 	Low	B.C.C. rents a room in Oak Tree doctor's Surgery and are included in the surgeries contingency plans should there be loss or damage to the building.		
Complaints	Complaint from member of public	<ul style="list-style-type: none"> • Loss of reputation 	Low	Members must comply with the requirements of to SO; Code of Conduct and all other policies & procedures including complaints procedure, all of which are reviewed annually. Staff must comply with the requirements of the Employee code of conduct and all other policies & procedures including complaints procedure, all of which are reviewed annually. Public welcomed into meetings and Publicity policy complied with. Public considered when organising events/ projects.	Compliance / Diary Compliance / Diary	At all times

Other points:

All new activities are risk assessed.

Adopted by members of Brackla Community Council at routine meeting of 19/03/09 Item No. 329.1

Signed:

Date:

Cllr. John Spanswick

Chair of Brackla Community Council